

# Form REG-8

## Application for Farmer Tax Exemption Permit

REG-8(fill) (Rev. 07/03)

**Read the instructions on the reverse  
side before completing this form.**

Farmer Tax Exemption Permit valid

from \_\_\_\_\_ until \_\_\_\_\_ .

FOR DEPARTMENT USE ONLY		
Permit Number		
Approved	Denied	TPS #

Name of Applicant (Sole Proprietor, Partnership, Corporation, or LLC)			Social Security Number ( <i>Individual</i> )	
Address			Federal Employer ID Number ( <i>Other</i> )	
City, Town, or Post Office	State	ZIP Code	Check One: <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> SMLLC <input type="checkbox"/> LLC <input type="checkbox"/> LLP <input type="checkbox"/> Fiduciary	Check One: <input type="checkbox"/> Purchased Existing Farm <input type="checkbox"/> Changed Business Structure <input type="checkbox"/> New Applicant <input type="checkbox"/> Renewal <input type="checkbox"/> Start-up Farmer (See instructions.)
Name of Farm		Telephone Number		
Location of Farm (Street Address and Town)				

1. Were you engaged in agricultural production as a trade or business during the preceding taxable year? <input type="checkbox"/> Yes <input type="checkbox"/> No	2. You: <input type="checkbox"/> Own the farmland <input type="checkbox"/> Lease the farmland (Check one) <input type="checkbox"/> Own part and lease part of the farmland
3. Total acreage of farm: _____ Total acres used in agricultural production by you during the preceding taxable year: _____	
4. What farm products, including livestock, did you raise during the preceding taxable year? _____	5. What farm products, including livestock, will you raise during the next two years? _____
6. Have you been issued a Sales and Use Tax Permit by the Department of Revenue Services? <input type="checkbox"/> Yes <input type="checkbox"/> No	7. Do you have employees? <input type="checkbox"/> Yes <input type="checkbox"/> No
8. If you answered yes to 6 or 7, enter your 10-digit Connecticut Tax Registration Number. (Do <b>not</b> enter Farmer Tax Exemption Permit Number or Federal Employer Identification Number.) _ _ _ _ _ - 0 0 0	

9. State the amount of gross income you derived solely from agricultural production as reported on your federal income tax return. (See instructions.)

In 2001	9a.	\$ _____
In 2002	9b.	\$ _____
Average (Add Lines 9a and 9b and divide total by 2.)		9c. \$ _____

10. If the amount entered on Line 9b or Line 9c is less than \$2,500 but you qualify because you purchased an existing agricultural business in 2002 or 2003 enter the following information. (See instructions.)

\_\_\_\_\_  
Name of Seller

\_\_\_\_\_  
Seller's Farmer Tax Exemption Permit Number

**Important:** You **must** submit the specified pages of your most recently filed **federal income tax return** and copies of any federal income tax return schedules (for example, Form 4835, Schedule C, or Schedule F). Please refer to the General Instructions on the reverse.

If you are applying as a **start-up farmer**, read the *Important Information for Start-Up Farmers* on the back of this form.

**Declaration:** I declare under penalty of law that I have examined this application (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand that the penalty for willfully delivering a false statement to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Spouse's Signature

\_\_\_\_\_  
Date

You and your spouse must both sign the application if you are filing a joint application. (See General Instructions)

## Important Information for Start-Up Farmers

Conn. Gen. Stat. §12-412(63)(E) allows a start-up farmer to receive an exemption permit, if:

- You intend to carry on agricultural production for at least two years; and
- Your gross income from farming will be at least \$2,500 in the second year, or an average of \$2,500 per year for both years; and
- Your gross expenses from farming will be at least \$2,500 in the second year, or an average of \$2,500 per year for both years.

**You must pay use tax on all purchases made using an exemption permit if you do not meet these conditions.** See **Informational Publication 2002 (20)**, *Farmer's Guide to Sales and Use Taxes, Motor Vehicle Fuels Tax, Estimated Income Tax, and Withholding Tax*, for more information on start-up farmers.

## General Instructions

Use **Form REG-8** to request a Farmer Tax Exemption Permit if you engage in agricultural production as a trade or business. The Farmer Tax Exemption Permit allows a farmer to purchase tangible personal property used exclusively in the agricultural production process without paying Connecticut sales and use taxes and allows a farmer to purchase motor vehicle fuels used exclusively in the agricultural production process without paying motor vehicle fuels excise tax.

The Department of Revenue Services (DRS) now issues a Farmer Tax Exemption Permit for up to two years, depending on the application date. An exemption permit issued October 1, 2002, or later, is valid until September 30, 2004.

DRS will issue a Farmer Tax Exemption Permit if you meet all three of the following conditions:

1. You are engaged in *agricultural production as a trade or business*. To be engaged in *agricultural production as a trade or business*, you must materially participate in the activity with a profit motive.
2. You reported, for federal income tax purposes, gross income of \$2,500 or more from agricultural production:
  - for the preceding taxable year; or
  - on average, for the preceding two taxable years.

This gross income is generally reported on federal Form 4835, Schedule C, or Schedule F attached to federal Form 1040, 1041 or 1065. (See instructions for Line 9 below.)

3. You **must** submit the following pages of your 2002 federal income tax return and copies of any federal income tax return schedules (for example, Form 4835, Schedule C, or Schedule F). If you apply on or after April 15, 2004, attach the specified pages of your 2003 federal income tax return and copies of any federal income tax return schedules (for example, Form 4835, Schedule C, or Schedule F). Failure to attach the required forms may delay the processing of the application.

- Individuals must furnish a signed copy of federal Form 1040 (Pages 1 and 2) and copies of any federal income tax return schedules (for example, Form 4835, Schedule C, or Schedule F). A husband and wife who file a joint federal income tax return can file a joint Form REG-8, *Application for Farmer Tax Exemption Permit*, if both enter and sign their names on the application.
- Fiduciaries of estates or trusts must furnish a signed copy of Page 1 of federal Form 1041 and copies of any federal income tax return schedules that detail the income and expenses (for example, Form 4835, Schedule C or Schedule F).
- Partnerships must furnish a signed copy of Page 1 of federal Form 1065 and copies of any federal income tax return schedules that detail the income and expenses (for example, Form 4835, Schedule C, or Schedule F).
- Corporations must furnish a signed copy of Page 1 of federal Form 1120, 1120A or 1120S. In addition, a corporation must submit with this application the same information as would be reported on federal Form 4835, Schedule C, or Schedule F, even though it would

not file a Schedule C or F for federal income tax purposes. The items reported must correspond with what was reported on the corporation's Form 1120, 1120A, or 1120S. If your taxable year ends in January, February, or March, attach the return for the taxable year beginning in 2002. If your taxable year ends in April, May, June, July, August, September, October, November, or December, attach the return for the taxable year beginning in 2001.

If you submit a federal Schedule C, you must also attach a list of agricultural products raised or agricultural services provided by you and the amount of sales from each agricultural product or service with itemized expenses related to the agricultural product or service.

## Sales and Use Tax Permit Required

A farmer selling goods must register for a Sales and Use Tax Permit and collect sales tax on the taxable sales. Taxable goods commonly sold by farmers include plants, certain seeds, hay, feed, mulch, fertilizer (including manure), livestock, poultry, rabbits, Christmas trees (living or cut), wreaths, decorated or carved pumpkins, and flowers.

## Line Instructions

If you are applying for a permit as a start-up farmer, answer only those question that are applicable. Enter **None** if the question asks for information about a year when you were not engaged in agricultural production as a trade or business.

Line 1: Check **Yes** if you are engaged in one of the following as a trade or business:

- Raising and harvesting any agricultural or horticultural commodity;
- Dairy farming;
- Forestry (however, persons who purchase standing timber or who cut timber and resell the logs to a mill are not considered to be engaged in agricultural production);
- Raising livestock (including horses), bees, poultry, fur-bearing animals, or wildlife;
- Raising and harvesting fish, oysters, clams, mussels, or other molluscan shellfish;
- Boarding horses.

Lines 4 and 5: Describe in detail the farm products produced by you for sale. For example, a dairy farmer who owns milk cows should list milk as the product. A vegetable farmer should list the specific vegetable(s) grown for sale.

Products purchased by you for resale are not agricultural products produced by you in agricultural production. For example, do not list cut flowers or plants purchased by you for resale.

Line 9: The amount on Line 9b is generally the amount reported either on Line 4 of the 2002 federal Schedule F or on Line 1 of the 2002 federal Schedule C. (Persons filing 2002 Schedule F who are accrual basis taxpayers report the amount that is the difference between the income entered on Line 38 of the 2002 Schedule F and the costs entered on Line 50.) If you are in the business of raising, feeding, caring for, training, or managing livestock, including horses, you must enter the total gross income received from these activities. If your gross income for 2002 was less than the \$2,500 requirement, you can now qualify for the exemption permit if your income in 2001 and 2002 averaged \$2,500. Provide your gross income for each year only if you are using this method to qualify for the exemption permit.

Line 10: If the gross income entered on Line 9 was less than \$2,500 and in the current or immediately preceding taxable year you purchased an agricultural trade or business from a seller who was issued a Farmer Tax Exemption Permit at the time of the purchase, enter the seller's name and Farmer Tax Exemption Permit number.

For more information, call Taxpayer Services at **1-800-382-9463** (in-state) or **860-297-5962** (from anywhere); **TTY, TDD, and Text Telephone users** may transmit inquiries anytime by calling **860-297-4911**. Preview and download forms and publications from the DRS Web site at **www.drs.state.ct.us**